

PRIOR AUTHORIZATION

REVIEW PROCESS FOR NON-COMPETITIVE PROCUREMENTS

KSA 75-3739(a) states that "...All contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment and contractual services to be acquired for state agencies shall be based on competitive bids..."

The statute allows the Department of Administration, Director of Purchases to judge whether some transactions are competitive or not. To that end, the office of Procurement and Contracts employs a formal Prior Authorization (PA) Review Process to facilitate the review of agency PA Requests. When non-competitive transactions are approved, they must be reported to the Kansas Legislature, and the PA Review process helps facilitate that effort.

Agency Procurement Personnel are expected to review PA Requests BEFORE sending the request to the Central Procurement office, which means that supporting documents and research information must be collected from the requestor BEFORE submitting the PA Request to central Procurement for review.

GENERAL STANDARDS AND EXPECTATIONS

- * As used in this document, "Central Procurement" means the Department of Administration, Procurement and Contracts
- * Non-competitive transactions are the exception, not the rule
- * For questions about the non-competitive nature of a transaction, engage procurement personnel early in the process
- * Seek PRIOR Authorization of the transaction, not POST-PURCHASE approval of an unauthorized transaction
- * Having a signed contract or acquiring the goods or services BEFORE requesting a PRIOR Authorization is NOT acceptable
- * Splitting orders to avoid established procurement limits is NOT acceptable
- * Research efforts to determine "sole source" nature of a transaction must be exhaustive and documented in PA Request
- * Agencies must be prepared to utilize the bid process; therefore PA requests must be submitted in a timely fashion
- * Statutes do not include a competitive bid exception for "incumbent", "preferred" or "familiar" vendors
- * Consider whether there is competition between manufacturers, or within a particular brand from distributors
- * Even in most "emergency" situations, competition can be facilitated
- * Do not feel limited by the space provided within PA form itself...consider attaching supporting documents to the SMART Purchase Requisition to document research on the non-competitive nature of the transaction

KSA 75-3739(a)(7) Prior Authorization Requests exceeding \$100,000

Per statute, "...no purchase or contract entered into without a competitive bid for an amount in excess of \$100,000 shall be entered into by the head of any state agency or approved by the director of purchases unless the director of purchases first posts an on-line notice of the proposed purchase or contract at least seven days before the purchase or contract is awarded..."

* Emergency (EMR), Statutorily Exempt (STX), Used Equipment (USE) purchases and Interagency (IGP) transactions are exempt from this posting requirement, but still require Central Procurement approval.

* This statutory requirement is facilitated by use of the Prior Authorization Form and Review Processes

* If the transaction is successfully challenged, it will be subject to a bid process. Period.

<http://www.da.ks.gov/purch/PriorAuthorizations.htm>

Consequences for Inappropriate Procurement activities

- * Reduction / Revocation of Local Delegate Procurement Authority
- * Agency could be asked to return the goods to the seller
- * Vendor risks delay or non-payment for goods and/or services provided
- * Risk to service provider that contract will be declared "null and void" and compensation for work completed denied

PRIOR AUTHORIZATIONS

Directions on Processing Prior Authorization (PA) Requests in SMART can be found at the following URL:

<http://www.da.ks.gov/purch/11-03Circular.doc>

It is imperative that agency requisitioners and program representatives be educated in the nature of procurement (seeking competitive bids is the best and expected practice) and that when a potential situation arises which might lend itself to a non-competitive situation, appropriate homework and research must be conducted and documented to support the request.

Consider the transaction from a "holistic" perspective...

- * When determining the value of a PA Request, agency must consider the total of initial term & all possible renewal periods
- * If it's an IT Project (new or upgrade), will it need KITO approval? <http://oits.ks.gov/kito/>
- * IT Project considerations might include annual licensing fees, future maintenance and upgrades, implementation / integration services, proprietary hardware...what is the plan for the entire project? Is one piece of the puzzle contingent upon another? Will any portion be a biddable transaction?
- * Do not seek prior authorization to enter a one-year contract, then sign a contract with a multi-year term.

PRIOR AUTHORIZATION REVIEW (PAR) TEAM

From time-to-time, the Department of Administration will assemble a Prior Authorization Review Team (PAR Team)

- * PAR Team is typically made up of Central Procurement and Agency Procurement personnel
- * PAR Team will review Prior Authorization (PA) Requests for validity (is it a genuine sole source?), completeness of research and documentation and appropriateness.

PA's not subject to PAR Team Review (See PA-TYPE Descriptions on the following pages):

- * GSR - Grants / Sub recipients - Subject to validation of the Account Code
- * STX - Statutorily Exempt - Include KSA statute number on the PA Form and in the notes section of the SMART requisition
- * USR - Utilities Services - Payments for utilities consumed, not for work related to utilities infrastructure
- * PSP - Professional Services Sunshine Act, up to \$25,000 (see KSA 75-37, 130 and PSP PA-Type within this document for more info)
- * IGP - Inter/Intragovernmental Procurements - use the correct SMART Vendor Code

Research Expectations

- * Research must be CURRENT specifically obtained for the current transaction
- * Providing little or no information on research efforts invites a denial of the PA request.
- * Agencies must back up research with contact information so research can be verified
- * Potential sources contacted during research must include sources a reasonable effort would uncover
 - ^ It's not enough to say that you conducted a "Google search" on the subject at hand
 - ^ *Extreme Example: If you are buying bowling balls, you shouldn't make contact with Dairy Queen as a potential supplier*
 - ^ *Contact the manufacturer to ask about available distributors (or lack thereof)*
 - ^ *Contact a peer program in another jurisdiction; what suppliers or sources do they use?*
 - ^ *Contact a professional organization to see if they know of alternate suppliers*
 - ^ *Contact the manufacturer and ask them for the names of their competitors*
- * Reporting that you've chosen the best of multiple bids received and considered in your research doesn't mean the transaction is a sole source. Agencies should expect this type of request to be denied and the transaction bid by Central Procurement.

Denial of Prior Authorization Requests

Effective 12/01/2012

- PA Requests will be denied if any of the following conditions exist:
- * *PA Request Form contains incomplete information*
 - * *Incorrect or Out-of-Date Form used to submit the PA Request*
 - * *Inadequate Research documentation provided with PA Request submission*
 - * *PA Type is incorrect or there isn't a match between what is in SMART and on the form itself.*

SMART Hint

**** PLEASE NOTE** - In SMART, to choose a PA-Type, click on the SEARCH magnifying glass next to the PA Type field, and carefully choose the correct PA Type...many PAs have been submitted with CCA as an incorrect PA Type because is the first PA Type listed alphabetically. This field is used in reports by Procurement and Contracts. PAs may be denied if you use the incorrect PA Type.

PA TYPE	DESCRIPTION
CCA	Consortium / Cooperative Purchasing Agreements
KSA 75-3739(i)	(i) The <u>director of purchases</u> may participate in, sponsor, conduct, or administer a cooperative purchasing agreement or consortium for purchases of supplies, materials, equipment, and contractual services with federal agencies or agencies of other states or local units of government. Cooperative purchasing agreements entered into under this subsection shall not be subject to K.S.A. 75-3739 through 75-3740a, and amendments thereto.
Background and Standards	By statute, the Director of Procurement and Contracts must be the entity that joins a consortium.
Cooperative Procurements	<ul style="list-style-type: none"> * Some cooperatives may attempt to sell to you without Central Procurement approval - NOT ALLOWED * Typically, a Participating Addendum is required to create the contractual relationship <ul style="list-style-type: none"> * <i>Participating Addendum must be processed through Central Procurement</i> * <i>Identify all of the parties involved: Contractor, Cooperative, User Agency, Lead Contracting Entity</i> * <i>Document will identify and bind all parties together in a formal relationship</i> * <i>Allows Kansas-specific terms and conditions to be infused into the relationship</i> * Central Procurement must be able to review base entity's cooperative documents
	In 2010, Legislative Post Audit reviewed cooperative procurement activities; recommendations included: <ul style="list-style-type: none"> * Procurement personnel (agency and central) must describe research efforts on coop purchases <ul style="list-style-type: none"> * Is the pricing competitive? * Does the cooperative or bidding entity collect an administrative fee? How much? * Are the contract's terms and conditions acceptable? * Does Central Procurement have expertise to bid the contract rather than join a consortium? * When an agency PA request includes research information described above, Central Procurement POs will independently confirm the information presented in the PA Request. * Research documentation must be maintained in the event of future audit or audit follow-up
	For large transactions or to establish a repetitive use contract, engage the Central Procurement PO prior to engaging in significant research
Background and Standards	Central Procurement experiences with GSA contracts and Multiple Award Schedules (MAS) have been mixed.
GSA Contracts	<ul style="list-style-type: none"> * GSA = Federal General Services Administration (GSA) * Many GSA MAS agreements have been negotiated directly with the vendor, and have not been subjected to a formal bid process and, thus, may not be price competitive * When GSA uses a bid process (Furniture, Law Enforcement Equipment), they may be competitive * Some contracts have "most favored customers" pricing, and vendors can't sell below that price * If GSA pricing must be "negotiated", PA will not be approved; submit a Purchase Requisition * Expect Central Procurement to ask for your market pricing review if GSA pricing is quoted * Include the URL for the location of the contract in documentation and confirmation * State Agencies do not have permission to sign GSA MASs without prior written approval from Central Procurement
Expectations	For a one-time procurement, use of the PA form is required to identify the transaction as an exception
One Time Purchases	<ul style="list-style-type: none"> * Per LPA Audit, details of research into cooperative price and terms must be documented and attached to the PA Request. * The PA should include info about the parties involved: Contractor, Cooperative, Bidding Entity * Helpful information will include: <ul style="list-style-type: none"> * How do you know the price is competitive? Who else did you contact? * Is there competition within the brand? Amongst other manufacturers of similar products? * Did you consider similar products manufactured by others?
Examples	Agency requests to use a US Communities-based contract to purchase for playground equipment
One Time Purchases	Agency requests to use a WSCA-based contract to purchase a dozen microscopes for a laboratory WSCA = Western States Contracting Alliance
Expectations	If repetitive purchases will be made, or multiple agencies are involved:
Repetitive Purchases	<ul style="list-style-type: none"> * Same conditions as listed above for one-time non-competitive purchases apply * Central Procurement will process Coop Participating Addendum and create SMART Contract * SMART users can create a requisition and reference the SMART Contract Number
Example	Health agency uses a CDC contract for vaccines for their immunization program
Repetitive Purchases	* If a contract is established through Central Procurement, Health agency can simply process an order against the contract and avoid the need to file repetitive PA Requests, Amendments and reporting requirements

PA TYPE	DESCRIPTION
COM	Compatible with Existing Equipment
75-3739(a)(5)	<i>(5) when compatibility with existing contractual services, supplies, materials or equipment is the overriding consideration;</i>
Background and Standards	<p>* Kansas statute recognizes that there may be times when past purchases of goods, equipment or services may affect how future purchases for related goods and services are managed.</p> <p>* Agency must consider the challenges of a procurement with long-term implications</p> <ul style="list-style-type: none"> ^ Will the agency need supplies or maintenance to support the procurement over a long term? ^ Is the procurement for a definite or indefinite quantity? Over what period of time? ^ Can the project be finished within the period of time discussed within the PA Request?
Expectations	<p>When evaluating the marketplace, each Agency must consider how comparable products or services with minor deviations in size and operational characteristics from those set forth in any product or service specification will be considered when such deviations do not alter nor deter the agency from accomplishing its intended usage or function.</p> <p>PA Request must provide information about compatibility within both of the following categories</p> <ul style="list-style-type: none"> * Analysis of choice to seek non-competitive Prior Authorization <ul style="list-style-type: none"> ^ What is the impact of changing from the incumbent equipment or services? ^ What is the impact of bidding the replacement equipment or services? * Analysis of the sourcing market for the acquisition <ul style="list-style-type: none"> ^ How do you know the price is competitive? ^ What other sources did the agency contact? ^ Is there competition within the brand (multiple sellers of the exact same product)? ^ Is there competition amongst other manufacturers of similar products? ^ Did you consider similar products manufactured by others? <p>Requests within this PA-Type must be "quantity-friendly"</p> <ul style="list-style-type: none"> * Example: If you have one device and you want 36 more, expect to bid the entire transaction <p>Research Expectations</p> <ul style="list-style-type: none"> * A letter from a vendor claiming to be the only provider must not be used as the sole documentation <ul style="list-style-type: none"> ^ Confirm the vendors claims through independent means * Relying on simple "Google searches" won't meet research expectations <ul style="list-style-type: none"> ^ <i>Contact the manufacturer to ask about available distributors (or lack thereof)</i> ^ <i>Contact a peer program in another jurisdiction; what suppliers or sources do they use?</i> ^ <i>Contact a professional organization to see if they know of alternate suppliers</i> ^ <i>Contact the manufacturer and ask them for the names of their competitors</i>
Repetitive Purchases	<p>* Establish a long-term price agreement for items that will be purchased repetitively</p> <p>* Using a bid process can eliminate repetitive PA requests and/ or reporting requirements</p>
Examples	<p>KS Agency has laboratory equipment requires proprietary chemistry or reagents</p> <ul style="list-style-type: none"> * The best practice would be to bid the equipment and chemistry/reagents together <ul style="list-style-type: none"> * Establish a long-term price agreement for chemistry/reagents * A Purchase Order can be issued for the purchase of the equipment * A Contract can be issued by Central Procurement for the supplies and replacement devices, facilitating efficient ordering, avoiding repetitive PA requests, PA amendments and reporting requirements <p>KS Agency has an investment in Taser devices; needs cartridges that are compatible with devices</p> <ul style="list-style-type: none"> * The best practice would be to bid the devices and cartridges together <ul style="list-style-type: none"> * Establish a long-term price agreement for cartridges and replacement devices * A Purchase Order can be issued for the initial purchase of the devices * A Contract can be issued by Central Procurement for the supplies and replacement devices, facilitating efficient ordering, avoiding repetitive PA requests, PA amendments and reporting requirements

PA TYPE	DESCRIPTION
CSD	Computer Software / Maintenance Available Only From the Developer
75-3739(a)(5)	<i>(5) when compatibility with <u>existing</u> contractual services, supplies, materials...is the overriding consideration;</i>
Background and Standards	<ul style="list-style-type: none"> * KITO approval is required for IT Projects expected to exceed \$250,000, including internal cost centers <ul style="list-style-type: none"> ^ Lack of CITO project approval on projects approaching \$250,000 may delay procurement ^ For more information, please visit http://oits.ks.gov/kito/ ^ Include KITO Approval letter as applicable with the PA Request
Planning	<ul style="list-style-type: none"> * Agency must consider the challenges of a procurement with long-term implications <ul style="list-style-type: none"> ^ Will the agency need supplies or maintenance to support the procurement over a long term? ^ Is the procurement for a definite or indefinite quantity? Over what period of time? ^ Can the project be finished within the period of time discussed within the PA Request? * Some software maintenance /licenses are available through the Software Contract
Types of Software	<p>Identifying a category-type on the PA can be helpful in the review process</p> <ul style="list-style-type: none"> ^ Packaged - uniform and universal software that can be installed locally without modifications <ul style="list-style-type: none"> * Typically available through the software reseller contract * Example: Microsoft Windows products ^ Specialty - Unique software that is targeted for specific tasks or applications <ul style="list-style-type: none"> * Typically installed locally without custom modifications * Developer may choose to distribution directly to consumers, rather than use a reseller * Software reseller might be able to contract with the publisher for distribution * Example: Fax communication software that is integrated with desktop operating systems ^ Custom Off the Shelf (COTS) - uniform applications with customization available <ul style="list-style-type: none"> * Typically involves a software purchase from the developer and separate implementation and customization services * Example: Oracle / PeopleSoft Financials ^ Custom Application <ul style="list-style-type: none"> * Built-from-scratch application customized to the agency's needs
Expectations	<ul style="list-style-type: none"> * Include information about whether the existing software contract provider(s) have been contacted <ul style="list-style-type: none"> * Attach a copy of email from contract rep confirming the product isn't available * Describe the research that was conducted to determine sole source vs. competition <ul style="list-style-type: none"> * A letter from a vendor claiming to be the only provider must not be used as the sole documentation <ul style="list-style-type: none"> ^ Confirm the vendors claims through independent means * Relying on simple "Google searches" won't meet research expectations * Most software / maintenance purchases include a significant contract document <ul style="list-style-type: none"> * Has the agreement been reviewed by the Agency Attorney? * Have clauses that favor the vendor been changed to state-based language, where possible?
Examples	<p>KS Agency needs timekeeping software and related devices that will integrate with SHaRP</p> <ul style="list-style-type: none"> * Not available through the software contract - confirmation received from contract rep * Agency chooses to use a biometric fingerprint recognition time clock to prevent "buddy clocking" <ul style="list-style-type: none"> ^ Four (4) alternate software packages were examined <ul style="list-style-type: none"> * Two alternates can export to SHaRP, but do not have a biometric interface * Two alternates have biometric interface but cannot export to SHaRP <p>Central Procurement recommends bidding, as cost exceeds \$5,000 for software and devices</p> <hr/> <p>KS Agency needs a new software package to manage the licensing of its constituents</p> <ul style="list-style-type: none"> * Not available through the software contract - confirmation received from contract rep <p>Central Procurement recommends bidding, to challenge the marketplace and any claim of sole source</p>
CSD is NOT...	<ul style="list-style-type: none"> * CSD is not to be applied to computer hardware * CSD is not to be used to buy a NEW software application; use a contract or bid new applications * Any departure from this direction would need to be significantly documented

PA TYPE	DESCRIPTION
DAR	Delegated Authority Request
KSA 75-3739(e)	<i>(e) With the approval of the secretary of administration, the director of purchases may delegate authority to any state agency to make purchases of less than \$25,000 under certain prescribed conditions and procedures.</i>
Background and Standards	While this statute speaks primarily to everyday Local Delegated Authority (LDA), there could be an occasion when a local transaction exceeds an agency's LDA, but does not exceed \$25,000, and Procurement & Contracts could consider a RARE request for a one-time increase in local delegated authority, allowing the agency to process the transaction locally.
	<ul style="list-style-type: none"> * REPEATED TO EMPHASIZE ITS IMPORTANCE: By statute, a DAR PA Request cannot exceed \$25,000 * DAR should not be used as a SOLE SOURCE PA-type * DAR transactions must have been <u>formally</u> bid in an agency process that complies with KSA 75-3739
Expectations	When submitting this request, the agency must include information showing that the transaction meets statutory requirements
THIS IS A SIGNIFICANT CHANGE IN POLICY	<ul style="list-style-type: none"> * Copy of the bid document / specifications sent to potential bidders * List of potential bidders solicited for this transaction * Description of the schedule for the transaction and how posting requirements have been met * Copy of the bid responses
Example	<p>Agency A issues a written bid for ten (10) specialty microscopes which are not on an existing contract</p> <ul style="list-style-type: none"> * Agency A has \$5,000 Local Delegated Authority (LDA) * Agency A expects each microscope to cost \$495 (estimated total of \$4950) * The lowest responsive bidder offers the microscopes at a unit price of \$490 + \$20 per unit for freight <ul style="list-style-type: none"> ^ The total of this transaction (\$5,100) exceeds Agency A's LDA of \$5,000 ^ Agency A submits a DAR Prior Authorization Request for \$5,100 with documentation that shows: <ul style="list-style-type: none"> * Written bid solicitation document with specifications * Bid was posted to a public website or bulletin board for three (3) business days * Bid summary / tab sheet showing the bid results * Recommends award to the lowest responsible and responsive bidder * After review, a Central Procurement PO could approve the Prior Authorization transaction as a one-time increase in the agency's local delegated authority
Denial of Request	* Failure to include the expected documentation or to follow the statutory guidelines will result in denial of the request.

PA TYPE	DESCRIPTION
DOP	Director of Purchases (DOP) Approval
KSA 75-3739(a)(7)	<i>(7) when, in the judgment of the director of purchases and the head of the acquiring state agency, not seeking competitive bids is in the best interest of the state.</i>
Background and Standards	<p>* Past uses of this PA-Type have required that the Director of Procurement and Contracts prepare a memorandum in support of the designation, explaining why not subjecting the transaction to the competitive bid process is in the best interest of the State of Kansas.</p> <p>* Use of this PA Type is not typically used for a Sole Source transaction, but for situations when there may be competition but "...not seeking competitive bids is in the best interest of the State of Kansas..."</p>
Expectations	* Agency should engage Central Procurement in any discussion which might conflict with these parameters
Examples	<p>* KS Agency sought competitive bids for t-shirt fabric under their delegated authority (\$25,000)</p> <ul style="list-style-type: none"> ^ Agency followed statutory guidelines for public procurements, including posting requirements ^ Order was placed under their delegated authority ^ It is common for textile orders to run either longer or shorter than what was actually ordered ^ An "overrun" of fabric caused the total invoiced amount to be just over their delegated authority ^ The transaction doesn't qualify for any Sole Source PA Type, nor can it be processed under DAR – one-time increase in local delegated authority because it exceeds \$25,000 ^ Sole Source PA-Types are not applicable <p>The PAR Team approved this PA as a DOP PA-Type since the item had been properly bid by the agency, product had been delivered, and completing the transaction was in the best interest of State.</p> <p><i>Had the agency not followed bidding protocol, or if there was an appearance that they were trying to "work the system", the PA request would have been rejected.</i></p> <p>* County government is working on streets adjacent to the entry drive for a KS Agency</p> <ul style="list-style-type: none"> ^ KS Agency realizes that the county project will result in the need for repairs to their entry drive ^ KS Agency submits an OKP Sole source request to use county contractor as they already have equipment and resources deployed for the other project. ^ KS Agency research shows that the proposed cost by the county contractor will be cost effective to complete the project utilizing the county contractor. <p><i>The PAR Team approved this PA as a DOP PA-Type since the base rates for the construction services had been established through a bid process by the local jurisdiction, the project was of modest size and cost, and completing the project as proposed was in the best interest of the State.</i></p>

PA TYPE	DESCRIPTION
EMR	Emergency Procurement
75-3739(a)(3)	<i>(3) when, in the judgment of the director of purchases, an agency emergency requires immediate delivery of supplies, materials or equipment, or immediate performance of services</i>
Definition: Emergencies	An emergency condition exists when there is a threat to agency resources, public health, welfare, or safety which may arise by reason of weather, epidemics, infrastructure failures or other circumstances. The existence of such condition must create an immediate and serious need for supplies, goods and services, or services that cannot be met through normal procurement methods.
Notes:	<ul style="list-style-type: none"> * Engaging Agency and Central Procurement personnel early in the response effort is recommended * In most cases, competition can be facilitated and still provide a timely response to the emergency <ul style="list-style-type: none"> ^ Provide competitive bid information with the PA Request to minimize procurement concerns * Agencies may make emergency purchases up to their local delegated authority, within reason. <ul style="list-style-type: none"> ^ Audits of SMART data will be used to examine possible abuses ^ Repetitive Purchases which total more than \$5,000 must be reported on a PA Form
Making the Request	For general emergencies, the agency submits a written "Prior Authorization Form" to the Procurement and Contracts stating the nature of the emergency, the product or service required and the basis for the selection of a particular vendor from those solicited for a response, and a copy of the supplier's proposal. Procurement personnel will review the request, determine if an emergency procurement is appropriate, and provide a response.
Examples: General Emergencies	<p>Scenario 1: A roof that leaks in the midst of a rainy season must be repaired (NOT REPLACED) to prevent agency records or other infrastructure from water damage.</p> <ul style="list-style-type: none"> * After rain event, immediate forecast is for more rain; seek immediate <u>short-term repair</u> to stabilize * After rain event, immediate forecast is for sun; seek multiple bids for <u>short-term repair</u> * Once "emergency" situation is stabilized, seek bids on <u>permanent repair or replacement</u> <p>Scenario 2: A microburst storm blows out the windows of a state-owned building</p> <ul style="list-style-type: none"> * Agency must take immediate measures to protect the building and its contents * Once "emergency" situation is stabilized, seek bids on permanent repair or replacement <p>Scenario 3: Agency CIO suddenly resigns. Agency needs short-term interim leadership.</p> <ul style="list-style-type: none"> * Check with Executive Branch CITO to see what internal resources are available * Develop specific expectations / deliverables for any temporary placement * Discuss contract or bidding options with Central Procurement representatives immediately <ul style="list-style-type: none"> ^ Time is of the essence; long term "emergency" status will not be acceptable <p>Scenario 4: In the middle of July, an unexpected failure of the HVAC system for a state building needs to be repaired. Generally speaking, competition should be sought for the repair and any potential replacement of the equipment - this is an emergency that can be resolved with competitive bids</p> <ul style="list-style-type: none"> * It is expected that the agency will pursue several bidders that could repair HVAC systems in this situation. This involves calling local companies to check availability on short notice, costs for parts, materials and labor as well as to determine availability, which may be limited by demand, region (rural vs. metro), availability of parts, etc. <p>Scenario 5: In the middle of January, the air conditioner needs to be replaced - this is not an emergency</p> <p>Scenario 6: The printer ran out of toner - this is not an emergency</p>

IMPORTANT: CATASTROPHIC EMERGENCIES

CATASTROPHIC EMERGENCIES ARE DISCUSSED ON THE NEXT PAGE

PA TYPE	DESCRIPTION
EMR	Emergency Procurement
<i>75-3739(a)(3)</i>	<i>(3) when, in the judgment of the director of purchases, an agency emergency requires immediate delivery of supplies, materials or equipment, or immediate performance of services</i>
IMPORTANT: CATASTROPIC EMERGENCIES	<i>In the event of a catastrophic emergency, agency personnel may take whatever procurement action necessary to stabilize the situation; follow-up must include a discussion with Agency and Central Procurement officials to determine reporting and payment approval logistics.</i>
Making the Request	For agencies that might be first responders to a catastrophic emergency, it is important to establish and manage contingency plans that include Agency and Central Procurement teams to facilitate immediate agency responses and minimize the bureaucracy associated with Prior Authorizations, payments to vendors and Legislative reporting requirements.
Examples: Catastrophic Emergencies	<ul style="list-style-type: none"> <i>* Tornado destroys infrastructure; immediate response needed to provide relief to citizens and to stabilize infrastructure</i> <i>* Fire affects agency operations, dislocating employees and interrupting operations</i> <i>* Agency communications tower collapses on neighboring housing units</i> <ul style="list-style-type: none"> <i>* Agency works with State Property Insurance contractor for damage to property of others</i> <i>* Communications tower needs replacement to re-establish critical communications pathways for law enforcement and agency activities</i> <i>* A truck and semi-trailer crashes into a bridge pillar, damaging the bridge to the point where traffic must be re-routed. Immediate repairs are necessary to resolve disruption to local and first responders traffic.</i>

PA TYPE	DESCRIPTION
GSR	Grants / Sub-Recipients
75-3739(j)	(j) The director of purchases may delegate authority to any state agency to make purchases under certain prescribed conditions and procedures when the acquisition is funded, in whole or in part, from a grant. Except as otherwise provided in subsection (k) of this section, purchases made in compliance with such conditions and procedures shall be exempt from other provisions of this section. As used in this subsection the term "grant" means a disbursement made from federal or private funds, or a combination of these sources, to a state agency. <u>Nothing in this subsection shall allow federal grant moneys to be handled differently from any other moneys of the state unless the requirements of the applicable federal grant specifically require such federal moneys to be handled differently.</u>
Note:	* GSR PA-type was created with the implementation of SMART to facilitate processing of grant payments that require an encumbrance
PA FORM	For true grant transactions, agencies do NOT need to utilize the Prior Authorization Request Form
Non-Encumbered Grants	If agency does not wish to encumber the grant funds, the SMART Requisition to Purchase Order process is not required
Background and Standards	<p>* Per the section <u>underlined</u> above, it's not the source of the funds that determines procurement path, it's the eventual destination of the goods and services to be procured with those funds.</p> <p>^ If the agency will receive direct benefit from the procurement, it is subject to procurement rules and the GSR PA-Type should not be selected</p> <p>^ If the agency will NOT receive direct benefit, a GSR PA-type might be appropriate</p> <p>^ Standard Purchase Requisition (PR) workflow within SMART requires a review by Central Procurement if the amount of the transaction exceeds an agency's local delegated authority (LDA), including grants</p> <p>* Central Procurement PO will review GSR PAs to confirm use of an appropriate Account Code</p> <p>* Agencies should use the 55**** series account code for grants to contractors (no direct benefit)</p> <p>* Agencies may use the 773*** series account code for intragovernmental transfers</p> <p>* Agencies should use the 52**** series account code for contractual services where the agency receives direct benefit.</p> <p>* Contractor on a grant transaction must be the recipient of the grant</p>
Expectations	<p>Agencies will use the GSR PA-Type when they wish to encumber the grant amount</p> <p>* Central Procurement reviews the PA-Type and Account Code</p>
Examples	<p>GRANT: Kansas Department of Commerce provides incentive funds for a manufacturer to relocate to KS</p> <p>* Commerce doesn't receive direct benefit from the relocation</p> <p>NOT A GRANT: Agency PDQ contracts with Company 123 for consulting services to review IT systems</p> <p>* Agency is receiving direct benefit from the contractor (report about IT systems)</p> <p>NOT A GRANT: Agency RST contracts with Company 456 to develop a mailing list for agency activities</p> <p>* Agency is receiving direct benefit from the contractor (mailing list)</p>

PA TYPE	DESCRIPTION
IGP	Inter/Intra Governmental Procurements
75-3739(h)	<i>(h) The director of purchases may authorize state agencies to contract for services and materials with other state agencies, or with federal agencies, political subdivisions of Kansas, agencies of other states or subdivisions thereof, or private nonprofit educational institutions, without competitive bids.</i>
PA FORM	<p>For IGP transactions, agencies do NOT need to fill out a Prior Authorization Form</p> <p>For continuity purposes, if you are AMENDING an IGP transaction, you must use the PA Form to convey to Central Procurement the reasons for the change</p> <p>* Also, this will assist and document changes that may need to occur to agreements which have been memorialized in the SMART contracts module.</p>
Background, Standards and Examples	<p><u>Inter-Governmental</u> - between State of Kansas agency and an outside governmental entity</p> <ul style="list-style-type: none"> * An agreement between Corrections and a USD to provide educational services to inmates * An agreement between a Kansas agency and a non-Kansas-based university for research services <p><u>Intra-Governmental</u> - between State of Kansas agencies</p> <ul style="list-style-type: none"> * An agreement between a Kansas agency and a Kansas-based university for research services * Agency contracts with Kansas Bureau of Investigation to conduct background checks * Agency purchases a vehicle (or other property) from KS Surplus Property
Expectations	<ul style="list-style-type: none"> * Did the agency consider whether there is a cost-effective private-sector source for the services? * Some entities (public and private) charge extraordinary indirect costs <ul style="list-style-type: none"> * Approach this subject during the discussions of the contract's deliverables * Use deliverables-based specifications to create higher accountability: <ul style="list-style-type: none"> ^ For correct and timely completion of the work by the contractor ^ For agency review of delivered material / reports / content for accuracy and completeness ^ To avoid time and materials contracts which drain resources without a guarantee of completion * Agency must retain research and other documentation with their contract file in the event of an LPA or other audit
SMART HINT	<ul style="list-style-type: none"> * Central Procurement personnel will check to see if the contractor is an IGP-type vendor <ul style="list-style-type: none"> ^ When creating a requisition to another state agency, use correct SMART vendor number

PA TYPE	DESCRIPTION
LRE	Lab or Research Equipment / Supplies
75-3739(a)(2)	<i>(2) when, in the judgment of the director of purchases, chemicals and other material or equipment for use in laboratories or experimental studies by state agencies are best purchased without competition, or where rates are fixed by law or ordinance;</i>
Standards	<p>The burden of proof for LRE will be centered on the issue of "controls" in laboratory research</p> <ul style="list-style-type: none"> * "Controls" are factors from research that are not subject to the experiment. * If agency were to change factors in a research protocol (equipment, chemistry, environmental conditions) it could affect the outcome of the research.
Expectations	<p>PA Request must provide information about compatibility within both of the following categories</p> <ul style="list-style-type: none"> * Analysis of choice to seek non-competitive Prior Authorization <ul style="list-style-type: none"> ^ What is the impact of changing from the incumbent equipment or services? ^ What is the impact of bidding the replacement equipment or services? * Analysis of the sourcing market for the acquisition <ul style="list-style-type: none"> ^ How do you know the price is competitive? Who else did you contact? ^ Is there competition within the brand? Amongst other manufacturers of similar products? ^ Did you consider similar products manufactured by others? <p>Requests within this PA-Type must be "quantity-friendly"</p> <ul style="list-style-type: none"> * Example: If you have one device and anticipate that the agency will need 36 more, expect to bid the entire transaction <p>Research Expectations</p> <ul style="list-style-type: none"> * A letter from a vendor claiming to be the only provider must not be used as the sole documentation <ul style="list-style-type: none"> ^ Confirm the vendors claims through independent means * Relying on simple "Google searches" won't meet research expectations <ul style="list-style-type: none"> ^ <i>Contact the manufacturer to ask about available distributors (or lack thereof)</i> ^ <i>Contact a peer program in another jurisdiction; what suppliers or sources do they use?</i> ^ <i>Contact a professional organization to see if they know of alternate suppliers</i> ^ <i>Contact the manufacturer and ask them for the names of their competitors</i>
Repetitive Purchases	<ul style="list-style-type: none"> * Establish a long-term price agreement for items that will be purchased repetitively <ul style="list-style-type: none"> * Bidding equipment and supplies at the same time may help leverage a long-term pricing * Contract resulting from a bid process can eliminate the need to submit repetitive PA requests, amending PA requests and/ or reporting requirements
Examples	<ul style="list-style-type: none"> * Agency with a laboratory function conducts tests on samples collected by local health agencies <ul style="list-style-type: none"> * Volume increases to the point where additional equipment is necessary to keep up with demand * Agency wishes to procure the same equipment to ensure uniform testing protocols * Research reveals that the manufacturer has retained exclusive distribution rights to the equipment and supplies.

PA TYPE	DESCRIPTION
OCP	Off-Contract Purchase Requests
Policy	<i>Contract Price: Contracts are awarded by Procurement and Contracts to take advantage of volume discount pricing for goods and services that have a recurring demand from one or more agencies. However, if a state agency locates a vendor that can provide <u>the identical item at a lower price</u>, a waiver to "buy off state contract" may be granted by Procurement and Contracts.</i>
Background and Standards	<ul style="list-style-type: none"> * Over the years, Off-Contract Purchase Requests have been used by Central Procurement as a feedback tool to monitor contract performance in the marketplace * This is not a PA-type that would fit a "sole source" type transaction (multiple sources for same item) * When considering an off-contract purchase: <ul style="list-style-type: none"> ^ Consider the impact and cost to the enterprise of issuing multiple orders and payments ^ Consider the cost of time spent researching options in the marketplace ^ Consider asking contractor to match the lower price to avoid PA Processing
Policy Statement	<ul style="list-style-type: none"> * The established policy for off-contract purchases remains very specific: <ul style="list-style-type: none"> * Item purchased must be identical.(brand, model, etc.) to what's available on contract * <i>For items available from multiple sources in the open market, it's important to show that the agency has checked more than one source for the reduced price.</i>
Policy Clarifications	<ul style="list-style-type: none"> * Off-Contract Purchases policy applies to Statewide - Mandatory Use Contracts only <ul style="list-style-type: none"> ^ Agency contracts are considered mandatory use, but if the contract isn't market price competitive, it should be terminated and re-bid. ^ For OCP purchases under \$5,000, agency must still use the OCP PA-Type. Local OCP transactions must include documentation for any potential audit that might occur. The PA Form is optional for these transactions, but can be a good tool for local documentation. * Statewide - Optional Use Contracts are developed to be a path for expedient procurement of commodities and services <ul style="list-style-type: none"> ^ A PA Request isn't required for purchases away from an optional use contract
Expectations	<ul style="list-style-type: none"> * Off-Contract PA requests that exceed \$5,000 will be subject to a bid process to meet statutory guidelines for competitive procurements * Agency will maintain documentation for future audit by either LPA or other auditor
Example	<ul style="list-style-type: none"> * Agency locates a HON Desk Model #123456.ABC at a price lower than the contract vendor price <ul style="list-style-type: none"> * Contract vendors have been offered a chance, but cannot match the price * Because the cost is less than \$5,000, and the savings is in excess of \$500, an off-contract PA Request is submitted via SMART * Because the PR will be less than \$5,000, Agency must choose the <u>OCP</u> PA-Type for reporting purposes and for audit documentation. <ul style="list-style-type: none"> ^ <i>Reminder: Skipping a mandatory use contract would be cause for an audit finding and associated penalties (loss of local delegated authority, first and foremost).</i>

PA TYPE	DESCRIPTION
OEM	Original Equipment Manufacturer
	This PA-Type will be removed from SMART as an option effective December 1, 2012.
	Please use other PA-Types, including COM OKP

PA TYPE	DESCRIPTION
OKP	Only Known Provider
75-3739(a)(1)	<p>(a) All contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment and contractual services to be acquired for state agencies shall be based on competitive bids, except that competitive bids need not be required in the following instances:</p> <p>(1) For contractual services, supplies, materials, or equipment when, in the judgment of the director of purchases, no competition exists;</p>
Background and Standards	Because of the statutory requirement for competitive procurement and the reporting of any non-competitive transactions, it is imperative that the agency provide complete but concise documentation to support their PA Request for a non-competitive procurement.
Expectations	As a part of it's market research, agency must be able to show how minor deviations in size and operational characteristics from those set forth in any product or service specification will be considered when such deviations do not alter nor deter the agency from accomplishing its intended usage or function.
	<p>PA Request must include information about lack of competition within the following categories</p> <ul style="list-style-type: none"> * Analysis of choice to seek non-competitive Prior Authorization <ul style="list-style-type: none"> ^ What is the impact of changing from the desired or specified equipment or services? ^ What is the impact of bidding the equipment or services? * Analysis of the sourcing market for the acquisition <ul style="list-style-type: none"> ^ How do you know the price is competitive? Who else did you contact? ^ Is there competition within the brand? Amongst other providers of similar products? ^ Did you consider similar products manufactured by others? <p>Research Expectations</p> <ul style="list-style-type: none"> * A letter from a vendor claiming to be the only provider must not be used as the sole documentation <ul style="list-style-type: none"> ^ Confirm the vendor's claims through independent means * Relying on simple "Google searches" won't meet research expectations <ul style="list-style-type: none"> ^ Extreme Example: If you are buying bowling balls, you shouldn't make contact with Dairy Queen as a potential supplier ^ Contact the manufacturer to ask about available distributors (or lack thereof) ^ Consider peer programs in other jurisdictions; what suppliers or sources do they use? ^ Contact a professional organization to see if they know of alternate suppliers ^ Contact the manufacturer and ask them for the names of their competitors
Repetitive Purchases	<ul style="list-style-type: none"> * Establish a long-term price agreement for items that will be purchased repetitively * Using a bid process can eliminate repetitive PA requests and/ or reporting requirements
Examples	<ul style="list-style-type: none"> * Company MCH offers a unique product and restricts distribution to exclusive territories. Extensive agency research which confirms the exclusive distribution is included in PA Request documentation. * Agency wishes to contract with a major newspaper for classified advertising. The Agency noted that this paper is the sole major newspaper in the city and that the contract allows all agencies get a reduced rate for advertising. Due to absence of any competition, the PAR Team approved this PA. * Agency wishes to contract with an advertising firm to create an ad campaign. - This is not a sole source * Agency wishes to contract with an advertising firm to work with media outlets (TV, Radio, Print) to place public service announcements created by a national organization. - This is not a sole source. * Agency wishes to contract <u>directly</u> with a specific media outlet due to the target audience for placement of existing advertising content - This may be a non-competitive transaction - subject to review by Procurement. * Agency wishes a contract with an advocacy group that maintains a depository of information concerning the licensing and identification of operators of commercial vehicles and the disqualification of these operators from operating commercial vehicles. The federal government mandated the creation of such a data warehouse some years ago, and significant Agency research has shown that only one entity has created this type of database. Due to absence of any competition, the PAR Team approved this PA.

PA TYPE	DESCRIPTION
PEP	Purchased for Evaluation Purposes
<i>Policy</i>	For the purchase of product(s) that might be consumed during an evaluation process
Background and Standards	<i>Statutory requirements for competitive procurements can complicate the procurement of specific products or services for evaluation purposes.</i>
Expectations	<p>PA Request must provide information about compatibility within both of the following categories</p> <ul style="list-style-type: none"> * Analysis of choice to seek non-competitive Prior Authorization <ul style="list-style-type: none"> ^ What is the impact of changing from the incumbent equipment or services? ^ What is the impact of bidding the replacement equipment or services? * Analysis of the sourcing market for the acquisition <ul style="list-style-type: none"> ^ How do you know the price is competitive? Who else did you contact? ^ Is there competition within the brand? Amongst other manufacturers of similar products? ^ Did you consider similar products manufactured by others? <p>Requests within this PA-Type must be "quantity-friendly"</p> <ul style="list-style-type: none"> * If you have one device and you want 36 more, expect to bid the entire transaction <p>Research Expectations</p> <ul style="list-style-type: none"> * A letter from a vendor claiming to be the only provider is not the best documentation <ul style="list-style-type: none"> ^ Confirm the vendor's claims through independent means * Relying on simple "Google searches" won't meet research expectations <ul style="list-style-type: none"> ^ Example: If you are buying bowling balls, you shouldn't make contact with Dairy Queen as a potential supplier ^ Contact the manufacturer to ask about available distributors (or lack thereof) ^ Consider peer programs in other jurisdictions; what suppliers or sources do they use? ^ Contact a professional organization to see if they know of alternate suppliers ^ Contact the manufacturer and ask them for the names of their competitors * Relying on simple "Google searches" won't meet research expectations <p>When using PA-type PEP to develop a Qualified Products List for future bids, agency must consider all interested contractors/ manufacturers / service providers so that competition isn't stunted when eventual bid is released.</p>
Examples	<ul style="list-style-type: none"> * Company MWV sells reflective sheeting for signs / license plates <ul style="list-style-type: none"> * For endurance test, signs must be manufactured using sheeting, and cannot be returned * Transportation laboratory needs to test new asphalt composition for future use in road projects

PA TYPE	DESCRIPTION
PSC	Patented or Copyrighted Materials or Services
<i>Policy</i>	When intellectual property is protected by Patent, Trademark, Copyright or other respected designation.
	This PA-Type will be removed from SMART as an option effective December 1, 2012.
	Please use other PA-Types, including OKP

PA TYPE	DESCRIPTION
PSP	Professional Services Sunshine Act (CPAs, Attorneys, Consultants)
75-37,130 et seq	<p><i>PSP is limited to three (3) types of services that are called out in statutory language:</i></p> <ul style="list-style-type: none"> * Consulting Services * Certified Public Accountants * Attorneys (Licensed attorney providing a legal opinion) <p>This definition eliminates <u>physical</u> services including Medical Services, Temporary Employment Services, Computer Programming Services, and Training Services.</p>
Background and Standards	<ul style="list-style-type: none"> * A consulting service is a <u>mental</u> exercise that may result in verbal advice or a written opinion * Statutes do not include competitive bid exceptions for "incumbent", "preferred" or "familiar" vendors * Agencies are expected to use a deliverables-based specification for bidding and contracting * Agencies are encouraged to formally bid Professional Services regardless of dollar amount
Dollar Limits and Statutory Requirements	<p>\$0 to \$5,000 per fiscal year</p> <ul style="list-style-type: none"> * Agencies may enter into their own contracts * No competition required, but is recommended * No Prior Authorization required when the contract is for \$5,000 or less * No Quarterly Reporting requirements * <i>Agencies cannot amend or increase the amount of the contract over \$5,000 without the expectation that they'll have to meet statutory expectations for the new dollar amount</i> <p>\$5000.01 to \$25,000 per FY</p> <ul style="list-style-type: none"> * Agencies may "informally negotiate" their own contracts, after seeking competition * "Informal negotiations" means that: <ul style="list-style-type: none"> ^ Establishing a formal Procurement Negotiating Committee (PNC) isn't required (KSA 75-37,102) ^ Interested bidders are presented with a <u>written</u> deliverables-based scope of work ^ The bidder provides a response to the scope of work, including a proposed price * For agency established contracts within this dollar range, Agency must use the PA Form and SMART process to facilitate reporting requirements. <ul style="list-style-type: none"> ^ <u>Agency must specify in the PA document whether the transaction is the result of negotiations or is considered by the agency to be a sole source.</u> * <i>Any attempt to modify the contract to exceed \$25,000 must be submitted to Central Procurement, will be met with a critical eye, and may be subjected to a formal bid process.</i> <p>\$25,000.01 and over per FY</p> <ul style="list-style-type: none"> * Any attempt to modify the contract to exceed \$25,000 must be submitted to Central Procurement, will be met with a critical eye, and may be subjected to a formal bid process. * To request a "sole source", they must do so through the Central Procurement. It is expected that information related to rationale and "check of the market for competitors" to be complete and thorough. * Bids are handled under RFP statutes and policies, including the establishment of a Procurement Negotiating Committee (PNC)
Policy Clarification	
Examples	<p>A contractor that would "produce, implement, perform and manage outreach activities" is not a consultant, and would not qualify for PSSA review.</p> <ul style="list-style-type: none"> * A doctor conducts physical examinations for fire fighters is NOT a consultant * A doctor that reviews medical charts then issues a report on billing irregularities is a consultant

PA TYPE	DESCRIPTION
SCW	State Use Catalog Waiver
KSA 75-3322	<i>(a) Whenever the qualified vendors are unable to supply the products or services needed or are unable to meet delivery requirements on any order or requisition, a written waiver [request] shall immediately be forwarded to the director of purchases by the state agency procurement officer or purchasing officer of the unified school district. If approved by the director of purchases, such waiver shall relieve and exempt the state or unified school district purchasing authority from the mandatory provisions of K.S.A. 75-3317 to 75-3322, inclusive, and amendments thereto, in the case of the specific order, request or requisition.</i>
PA Form	Use of the standard PA form is acceptable, but a more specific State Use Program Waiver Form can be found at the following URL / Web Address: http://www.da.ks.gov/purch/StateUseWaiverRequestForm.doc
Background and Standards	<p>* Requests for a State Use Catalog Waiver on the basis of price will be denied</p> <p>Because of SMART Processing, State Use Waivers under \$5,000 will not be routed to Central Procurement</p> <p>* <u>Repeated local approvals of SCW requisitions may result in:</u></p> <ul style="list-style-type: none"> * Loss of Local Delegated Authority * Restrictions of use of procurement cards * Ordering restrictions, including ad hoc routing requirements <p>* Audits of SMART Reports, P-Card Transactions and feedback from State Use Catalog vendors will be used to determine if this abuse is occurring</p>
Expectations	<p>When making a request for a State Use Catalog waiver from statutory requirements to purchase products or services manufactured or processed by persons with disabilities, an agency must address the following questions:</p> <ul style="list-style-type: none"> * Why was qualified vendor unable to supply the products needed? * Why was the qualified vendor unable to meet delivery requirements on this order? * What attempt has been made by the agency to be in compliance with the State Use Laws? * What was the nature of the communications between the agency and the state use vendor/ * How / Where will the agency purchase these items, if not from a Qualified State Use Vendor? * If the purchase involves a large quantity, has the state use vendor been notified of that fact? <ul style="list-style-type: none"> * Has the agency asked for a "quantity discount" from the state use vendor?
Examples	<p>* Program finds a toner cartridge for \$105 that is listed in the State Use Catalog for \$110. A waiver can be requested, but should not be approved.</p> <p>* Program needs 500 binders for a conference that will be held in 60 days (They are planning ahead, as they should!) The State Use Vendor states that they cannot get the materials and produce the binders in that time frame. A waiver can be requested, and should be granted, as the vendor has acknowledged that they cannot deliver in an acceptable time frame. <u>The key here is that the agency/program planned ahead.</u></p>

PA TYPE	DESCRIPTION
STX	Statutorily Exempt
75-3739(a)(4)	<i>(4) when any statute authorizes another procedure or provides an exemption from the provisions of this section;</i>
PA FORM	* For true STX transactions, agencies do NOT need to fill out a Prior Authorization Form
Background and Standards	KSA 75-3738 establishes the powers and duties of the director of purchases, which includes the "...Purchase, rent or otherwise provide for the furnishing of supplies, materials, equipment or contractual services for all state agencies..."
THIS IS A SIGNIFICANT CHANGE IN PRACTICE	KSA 75-3739(a) states that "...All contracts for construction and repairs, and all purchases of and contracts for supplies, materials, equipment and contractual services to be acquired for state agencies shall be based on competitive bids..."
	Over the years, some statutory exemptions to procurement guidelines have been created by the KS Legislature
	* To be eligible for this PA-Type, exemptions must not be vague; statutory language must have specific references to an exemption from procurement and/or statutes which govern procurement
	* Some budget provisos carry the weight of statute; when a statute or proviso directs the agency to pay a specific vendor or entity, or to take specific contract action, these instructions must be attached to the SMART requisition.
	* Some "Enabling Statutes" (base laws that establish state agencies) include language allows the agency head to enter into contracts, but unless there is a specific statement exempting transactions from procurement processes, the expectation is that the procurement will be competitively bid subject to KSA 75-3739
Expectations	* Agencies are cautioned that a statutory exemption from Central Procurement may not exempt the procurement from a formal bid process or from conducting the procurement in a fair and transparent manner. Please read the entire statute for any latent instructions.
	* Agency must include the statutory citation and enough information in the "Requester's Justification" field of the SMART PR to assist the central procurement review of the PA request.
	If the statutory language is lengthy, citing the exact section / sub-section of the KSA or attaching a copy of the specific language exempting the procurement from competition could help expedite the review process.
	* Central Procurement staff will review the statutory citation information contained in the PA Request to confirm validity of the exemption
Example	75-5310a. Service contracts for preparation of expert testimony; exempt from competitive bidding. The secretary of social and rehabilitation services is hereby authorized to contract for the services of persons to assist in the preparation of expert testimony for litigation and to act as expert witnesses in litigation. <u>Any such contracts shall be exempt from the competitive bid requirements of K.S.A. 75-3739, and amendments thereto.</u>

PA TYPE	DESCRIPTION
USE	Purchase of Used Equipment
75-3739(a)(6)	(6) when a used item becomes available and is subject to immediate sale;
Background and Standards	<p>* It is <u>NOT</u> appropriate to allow an equipment provider to provide / install equipment as new for a "test drive" then offer the agency a "used equipment" discount.</p> <p>* Agency must consider the challenges of a procurement with long-term implications ^ Will the agency need supplies or maintenance to support the procurement over a long term?</p>
Expectations	* Agency must show their research, including information about what NEW equipment would cost in a competitive bid environment, how similar equipment from other manufacturers / distributors would be priced.
Examples	<p>Company MNO manufactures a steam autoclave / sterilizer for laboratory use</p> <ul style="list-style-type: none"> * MNO has a piece of equipment that had been installed for another customer * MNO received the equipment back in a trade-in for a new installation * MNO refurbishes the equipment to new manufacturer's standards, but cannot sell the equipment as "new" * MNO offers the agency a substantially lower price than what would be offered for the purchase of new equipment * MNO offers a warranty on the equipment as if it were sold as "new and unused"

PA TYPE	DESCRIPTION
USR	Utilities
<i>Policy</i>	The USR PA-Type was created with the implementation of the SMART Financial Management System
PA FORM	* For true USR transactions, agencies do NOT need to fill out a Prior Authorization Form
Non-Encumbered Utilities	If agency does not wish to encumber the funds for Utilities, the Requisition to Purchase Order process is not required
Background and Standards	* Covers consumable utilities as listed below, but not construction or other types of related services * Designed for agencies to establish encumbrances to pay for utilities <ul style="list-style-type: none"> ^ If paying for utilities directly without an encumbrance, use SMART voucher processes ^ If using the voucher process, the Account Code be must appropriate and match the services
Expectations	
Examples	* Utilities covered include: <ul style="list-style-type: none"> ^ Electricity ^ Municipal water service / Rural Water Districts (water only - no other services) ^ Municipal sewer / sewage / water run-off * Services NOT covered and subject to competitive bid processes or other PA Requests <ul style="list-style-type: none"> ^ Cable / Satellite Television and similar Telecommunications Services ^ Cellular Phone / Data Devices and similar Telecommunications Services ^ Trash / Refuse / Recycling Services ^ Natural Gas (for most locations, a natural gas contract is available) ^ General Postal / Overnight Shipping Services ^ Services related to maintaining typical building infrastructure related to utilities * Engage Central Procurement in any discussion which might conflict with these parameters

PRIOR AUTHORIZATION REQUEST FORM

INSTRUCTIONS: Prepare this form and related documents, scan and attach to a SMART Purchase Requisition as a LINE ITEM comment.

Prior Authorization is requested in the Amount of: \$

If this is the first PA Request for a project, enter the TOTAL amount of the proposed project above.

If you are renewing or amending a previously approved PA-based transaction, please use the originally approved PA Form and complete the Revised PA information on Page 2.

Will Multiple Payments Be Made? Yes____ No____

Will the total exceed \$25,000? Yes____ No____

(If the answer to BOTH of the above questions is "Yes", a SMART Contract will be required.)

Prior Auth. Code: Type SMART PA Code here
SMART Vendor ID: Type SMART Vendor ID here
Vendor: Type SMART Vendor Name here
Type Vendor Address here
Type Vendor City / State / Zip here

Has the vendor ever been an employee of the State of Kansas? Yes____ No____

If yes, please explain the nature of the employment and period of service.

Type info here; please be complete but concise; attach additional information as needed

Kansas Procurement statutes establish the competitive bid process; therefore Central Procurement expects that an agency requesting approval of a non-competitive transaction will conduct and document its research to ensure that no competition exists. Failure to include specific and current research information with this form will result in rejection of the Request.

1. Is there a proposed contract agreement? Yes____ No____
If so, please submit a copy with this PA Request for review of terms and conditions.

Was the proposed contract prepared by the: Agency____ Vendor____ Other____

2. Detailed Description of Material or Service

Please provide a complete and detailed description of the proposed procurement, including the written deliverables and payment schedule upon which potential vendors were asked to provide feedback, if not included in the proposed contract mentioned above.

3. Proposed Term of Contract (if applicable): xx/xx/xxxx to xx/xx/xxxx

4. Describe the research completed to ensure that no competition exists, including a list of vendors who are unable to provide the goods or services, and representative names and contact information to allow for independent verification.

Type info here; please be complete but concise; attach additional information as needed

5. Has the agency contracted with the vendor at any time during the past twelve months?

Yes____ No____

If yes, please explain the nature of the service and the amount of the purchase / contract, and the period of time covered by any contract, including original start date for the agreement. **Failure to include specific information will result in rejection of the Request.**

Type info here; attach additional information as needed.

Please attach any supporting documentation (sales quotation, sales proposal, draft contract)
as Line Item Comments to the SMART Purchase Requisition.

AGENCY USE ONLY

Agency Name: _____ Agency Number: _____
Contact Person: _____ Telephone: _____
Email Address: _____ Date: _____

REVISED PRIOR AUTHORIZATION

IF YOU NEED TO REVISE A PREVIOUSLY SUBMITTED PRIOR AUTHORIZATION, PLEASE INCLUDE THE ORIGINAL AMOUNT, THE AMOUNT OF ANY AND ALL SUBSEQUENT REVISIONS, AND THE NEW REVISED TOTAL. THIS FORM SHOULD COMPLETELY SUMMARIZE THE ORIGINS AND CHANGES ASSOCIATED WITH THE CONTRACT AND/OR PROJECT **YOU WILL ALSO NEED TO PROVIDE AN EXPLANATION FOR THE NEED TO REVISE THE PRIOR AUTHORIZATION.**

Revised PA Requests must be submitted to Procurement & Contracts outside of SMART.

Other details for this specific revision:

No Increase in Cost, Change in Term of Contract: ☐

SMART Purchase Requisition Number(s): _____

SMART Purchase Order Number(s): _____

SMART Contract Number(s): _____

<u>Historical Summary of Contract</u>	<u>Description of Action (Examples shown below)</u>
Original PA Amount: \$ _____	(i.e.: Original Contract)
Revision #1: \$ _____	(i.e.: Amendment #1 - Description of Scope of Work Change)
Revision #2: \$ _____	(i.e.: Renewal for xx/xx/xx to xx/xx/xx)
Revised Total \$ _____	

Procurement and Contracts Approval: _____ **Date:** _____